



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers  
WASHINGTON, D.C. 20314-1000

REPLY TO  
ATTENTION OF:

10 March 1997

CELD-MS (750)

MEMORANDUM FOR COMMANDERS, USACE COMMANDS

SUBJECT: USACE Policy and Guidance for the Defense Supply Center Columbus,  
Heavy Equipment Procurement Program

1. The purpose of this memorandum is to inform you of the Heavy Equipment Procurement Program (HEPP). In a continuing effort to reduce operating expenses, USACE and Defense Supply Center Columbus (DSCC), Defense Logistics Agency (DLA) have entered into a formal partnership agreement. This partnership promotes USACE and DSCC to jointly explore alternative methods to provide equipment, major items and associated spare parts at a reduced cost, and a reduction in the acquisition lead time
2. The DSCC sponsored HEPP provides the following types of equipment: materiel handling, construction, fire fighting, general and environmental products. Enclosed is a document that was jointly developed between USACE and DSCC and provides guidance on how to use the HEPP. Appendix 2 of this document provides a complete listing of equipment procured by DSCC, under the HEPP.
3. USACE has recently experienced considerable resource savings during the procurement of major items through DSCC. The Command stands to save approximately 23 percent over current acquisition methods used to procure major items. Examples of cost saving opportunities utilizing the services of DSCC are already becoming apparent. The Command has realized a cost avoidance of over \$516,089.00 on major items acquired since January 1995.
4. We solicit your ideas and suggestions as to how this acquisition tool may be improved to enhance support to the Command.
5. The point of contact for this action is Mr. Paul E. Mann, at 202-761-4604.

FOR THE COMMANDER:

Encl  
as

OTIS WILLIAMS  
Colonel, Corps of Engineers  
Chief of Staff

# **USACE POLICY AND GUIDANCE FOR THE HEAVY EQUIPMENT PROCUREMENT PROGRAM (HEPP)**

1. **PURPOSE AND SCOPE.** This guidance provides the recommended processes to follow when procuring items from the Heavy Equipment Procurement Program (HEPP), Defense Supply Center Columbus (DSCC), Ohio. This guidance is applicable to all USACE organizations purchasing equipment, major items and supporting spare parts detailed in Defense Federal Acquisition Regulation Supplement (DFARS), Appendix B, Part 4, titled, "Defense Logistics Agency Assignments". A list of commodities included in the HEPP most likely to be required by USACE customers is included in Appendix 2 to this document.

2. **REFERENCES.** See Appendix 1.

## **3. BACKGROUND.**

a. **Federal Acquisition Regulation (FAR).** Federal Acquisition Regulations specify a priority sequence of sources for acquisition of various commodity groups. DSCC offers contracting support for equipment, and major items including spare parts support, for USACE, federal civilian agencies, and other military customers. Equipment available through DSCC include construction, material handling, general commodity equipment, and spare parts in support of the major items. DFARS Subpart 208.70, titled "Coordinated acquisition" established the policy and procedures for item managers which are assigned responsibilities for coordinated acquisition; DFARS, Appendix B, Part 4 titled "Defense Logistics Agency Assignments", list items available from DLA/DSCC and are subject to FAR, 8.001, Priorities for use of Government supply sources.

b. **DSCC & USACE.** Recently, USACE has experienced considerable resource savings during the procurement of major items through DSCC. In an effort to generate further savings, USACE and DSCC have established a formal partnership agreement. This partnership encourages all USACE organizations to utilize the services offered by DSCC to obtain equipment, major items and spare parts at a reduced cost, by making the acquisition process quick and easy.

## **4. RESPONSIBILITIES.**

a. **HQUSACE.** CELD, is responsible for providing the policy guidance for the HEPP.

b. **Commander or Designated Representative.** The commander or his/her designated representative is responsible for ensuring that equipment purchases are within established, Federal, Army and USACE acquisition regulations.

c. **Logistics Management.** The Logistics Management Office (LMO) is responsible for managing the program and ensuring that proper acquisition steps are followed, purchases are received, and property accountability is maintained.

d. **Resource Management.** RM has a responsibility to include validation of propriety of funds used to effect the procurement and to assist the program managers and LMO in areas of fiscal policy and financial processing of fiscal documents, and to render timely payments to DSCC.

e. **Requesting Organization.** Requester is responsible to insure specifications are met, delivery requirements, point of delivery, and acceptance inspection. The requesting organization will work with DSCC to coordinate requirements and effect ordering of equipment and parts.

## **PROCESS & PROCEDURES**

**5. PROCEDURES.** The following HEPP procedures are recommended when contemplating the acquisition of equipment, major items, or spare parts. Each Corps activity should establish internal business processes for acquisition.

a. **Step 1-Acquisition Plan.** The first step in the process is deciding when new equipment or major item is required and or how to dispose of the old item.

1. **Authority for Acquisition and Funding Appropriation.** Approval/ authorization for acquisition required from higher authority will be obtained by the proponent for the item and attached to the Military Interdepartmental Purchase Request(MIPR). For acquisitions, the justification, will be prepared/approved by proponent for the item prior to ordering. Necessary funding will be programmed in accordance with paragraph 5b, Funding Availability.

2. **Authorizations for Property Book.** Civil Property Authorization Document (CPAD) items will be approved by LMO prior to ordering. Justification will be attached to the MIPR.

b. **Step 2-Funding Availability.**

1. **Military Funded Items.** The Capital Expenditure Limit is currently set at \$100,000 for military funded items. Items valued at less than \$100,000 may be purchased with Operations and Maintenance Army (OMA) funds if the equipment are uncontrolled items (not centrally controlled). All construction, material handling equipment, or grounds keeping equipment are uncontrolled items. Controlled items are trucks (which need to be purchased through the Tank and Automotive Command [TACOM]) and fire trucks (which need to be purchased through the Aviation Troop Command [ATCOM]). These centrally controlled items cannot be purchased with OMA regardless of cost. If the equipment costs over \$100,000 it needs to be purchased with military procurement dollars as base level commercial equipment. Other funding such as environmental money or forestry sales can also be used if the equipment is used for those specific interests. This base level commercial equipment can be found to support emergency requirements. Installations with emergency requirements for equipment over \$100,000 not centrally controlled will need to prepare a funding request letter to their MACOM who will forward it to Department of Army. Letters with a General Officer's signature show

“command interest” and historically have received the most consideration. Supply Bulletin 700-20 and the Army Master Data File(AMDF), (found at the Property Book) can be checked if not certain about the category of the item. The limit for items with a stock number is \$5,000. When acquiring non stock number items over \$25,000, the organization must go to the proponent and obtain a waiver for single line items.

**2. Civil Works Funded Items.** Funding, under Civil Works appropriations, includes Revolving Fund, Plant Replacement and Improvement Program, (PRIP) Operations & Maintenance, Construction General, etc. The investment ceiling for civil works funded plant, property and equipment is \$25,000. Items in excess of that value, purchased to serve more than one civil works project or multiple appropriations required for civil works activities will be procured through PRIP. See ER 1130-2-500, chapters 7 and 15, and ER 37-2-10 for detailed guidance. MIPRs for civil works funded procurement must specify that billing and payment be made via SF 1080 procedures, since the interfund billing process does not apply to civil works funds.

**c. Step 3-Item Availability** The availability of required items and any special options can be obtained from DSCC Point of Contact (POC). Equipment availability, delivery time, equipment options, and costs are detailed in the Heavy Equipment Procurement Program catalog published by DSCC, or access the HEPP electronic catalog using the following internet address: <http://131.74.26.2:8888> Most items managed by the HEPP are available on a customer value schedule (CVS). When preparing a MIPR utilizing a CVS, contact the HEPP POC for additional pricing information and justification requirements.

**d. Step 4-Item Acquisition.** Once the item has been approved for purchase by the commander or his designated representative, the MIPR (DD Form 448) is used. Instructions for completing MIPRS can be found in DFARS Subpart 253.208-1(DD Form 448). The MIPR shall contain at a minimum: a technical point of contact (with telephone number), sufficient description of equipment, accurate cost codes, and appropriate signatures.

**1. Funds Manager.** The funds manager will ensure the accounting classification cited is appropriate for the item being procured, sufficient funds are available, and will assign an order number in accordance with existing guidance. Forms will be routed through RM prior to presenting to LMO.

**2. Cost Recovery Charge.** A cost recovery charge (surcharge) will be added by DSCC. This amount should be included, as a separate line item, on the MIPR. Check with DSCC for the current rates prior to preparation of the MIPR. Include the following statement on each MIPR. “COST RECOVERY FUNDS ARE INCLUDED IN THE TOTAL PROVIDED ON THIS MIPR”

**3. Requirement Changes.** Changes to requirements will require an official amendment to the basic DD Form 448, and will be processed in accordance with existing guidance. An increase in the total amount of the MIPR must reflect a corresponding increase in the cost recovery amount.

4. ***LMO Responsibilities.*** LMO will ensure that the funds manager has certified that sufficient funds are available and the order is officially accepted by DSCC. LMO will maintain all required files.

5. ***Facsimile Orders.*** Facsimiles of reimbursable orders will not be routinely used or accepted. It is the responsibility of the activity requesting the facsimile to obtain the original documentation.

6. ***Distribution of MIPR.*** Copies of completed MIPR, invoices, receiving documents, etc. for all items will be forwarded to the Property Book Officer, RM, funds manager, and the ordering element.

7. ***Delivery and Acceptance.*** Inspection, acceptance, and delivery terms are set by contract. Exceptions can be made on a case by case basis. The MIPR shall clearly identify these exceptions. The Authorized Receiving Agent must be designated by LMO and clearly indicated in block 13 of the MIPR.

## **Appendix 1: References**

Partnering Agreement between USACE and DSCC, signed June 1996.  
FAR 8.001, and DFARS 8.001, Priorities for use of Government supply sources  
DOD 7000.14-R, Volume 4, Financial Management Regulation: Accounting Policy and Procedures  
DFARS, Part 208, Required Sources of Supplies and Services  
DFARS, Subpart 208.70, Coordinated Acquisition  
DFARS, Appendix B, Part 4, Defense Logistics Agency Assignments  
DFARS, 253.208-1 (DD Form 448) Required Sources of supplies and Services  
DFAS-IN, Regulation 37-1, Finance and Accounting Policy Implementation  
DSCC, Heavy Equipment Procurement Program Catalogue.  
AR 71-13, DA Equipment Authorization and Usage Program.  
ER 37-2-10, Accounting and Reporting - Civil Works Activities  
ER 37-3-21, Base Level Commercial Equipment Program  
ER 37-345-10, Accounting and Reporting - Military Activities  
ER 700-1-1, USACE Supply Policies and Procedures  
ER 1130-2-500, Project Operations: Partners and Support (Work Management Policies), Chapter 7 and 15.  
EP 750-1-1, Procedural Pamphlet for Materiel Maintenance Policies

## Appendix 2:

### HEAVY EQUIPMENT PROCUREMENT PROGRAM WHO BUYS WHAT ?

DSN 850- \_\_\_\_\_

Commercial (614) 692- \_\_\_\_\_

<u>FSC</u>	<u>DESCRIPTION</u>	<u>CONTRACT SPECIALIST</u>	<u>EXT</u>
1730	<b>Aircraft Ground Servicing Equipment/</b>		
1740	<b>Aircraft Specialized Trucks and Trailers</b> Includes: Telescoping Mast Assemblies; Maintenance Platforms; Loading Ramps; Airfield Specialized Lift Trucks/Trailers; Wheeled Aircraft Towing Tractors	Diane Weicksel	8296
2230	<b>Right-of-Way Construction &amp; Maintenance Equipment, Railroad</b> Includes: Rail Laying, Joining, and Shifting Equipment; Dynamometer Cars; Gang Cars; Car Mounted/Non-Car-mounted Equipment; Mounted Wrecking/Locomotive Cranes	Tammy Jones	3362
2410	<b>Tractors, Full Track, Low Speed</b>	Jim Linard	2468
2420	<b>Tractors, Wheeled</b> Includes: Lawn and Garden Tractors; Industrial Tractors; Agricultural Tractors	Renee Barger	2603
3431	<b>Electric Arc Welding Equipment</b> Includes: Internal Combustion Engine Driven IAW MIL-W-8003C	Donna Behrens	2658
3740	<b>Pest Disease and Frost Control Equipment</b> Includes: Animal and Insect Traps; Dusters; Insecticide Fog Generators and Applicators; Sprayers; Plant Cover Devices; Decontaminating Equipment	Bob Sinagra	3623
3805	<b>Earth Moving and Excavating Equipment</b> Includes:		
	Backhoe Loaders; Skid Steer Loaders	Renee Barger	2603
	Excavators; Road Graders	Tammy Jones	3362
	Wheel/Track Loaders; Tool Carriers;	Bob Sinagra	3623

3810	Scrapers; Dump Trucks; Trenchers <b>Crane and Crane-Shovels</b> Includes: Cranes, All Terrain, Rough Terrain, Lattice Boom, Truck/Crawler/Carrier Mounted	Donna Behrens	2658
	Cranes, Dam Roadway; Shredders	Sue Coyer	3638
3820	<b>Mining, Rock Drilling, Earth Boring and Related Equipment</b> Includes: Skid/Truck/Trailer Mounted Earth Augers; Paving Breakers; Crushers and Screening Plants; Rock Drills; Pulverizing/Quarrying Equipment; Aggregate Screening Plants	Bob Sinagra	3623
3825	<b>Road Clearing and Cleaning Equipment</b> Includes: Snow Removal Equipment; Runway Sweepers; De-icers	Tammy Jones	3362
	Street Sweepers	Donna Behrens	2658
	Water Distributors; Traffic Line Markers	Bob Sinagra	3623
3895	<b>Miscellaneous Construction Equipment</b> Includes: Motorized/Towed Rollers; Trailers for Transportation of Construction Equipment	Allison Holloway-Frazee	2190
	Building Machines (ABM)	Jim Linard	2468
	Concrete Pavers/Mixers; Pile Driver Hammers; Aggregate Spreaders/Driers; Bituminous Distributors; Masonry Saws; Other Misc. Equipment	Bob Sinagra	3623
3910	<b>Conveyors</b> Includes: Portable/Stationary/Powered/ Belt/Roller Type Conveyors; Cableways; Bucket Type Elevators; Belt Type Unloaders	Chuck Pirrone	4161
3930	<b>Warehouse Trucks and Tractors, Self- Propelled</b> Includes: Manlifts, to include Articulating, Telescoping Zero Tail Swing and Scissor Lifts	Denise Pennington	4161
	Forklifts, Electric, MILSPEC; Tow	Chuck Pirrone	2199



	Tractors, MILSPEC	Fonda Alexander	2608
	Forklifts, except MILSPEC, to include Stock Selectors; Order Pickers; Pallets; R&T; 3 and 4 Wheel Sit Down; Turrets; Sideloaders; Swingmast: Container Handlers; Reach Stackers; Rough Terrain Straight Mast and Variable Reach; Platform; Trucks; Tow Tractors	Jann Cook	2139
3950	<b>Winches, Hoists, Cranes and Derricks</b> Includes: Winches, Hoists; Trolleys; Booms; Derricks	Tony Wiggins	2497
	Warehouse Cranes; Portable Cranes; Wharf Cranes; Overhead Traveling Cranes	Jim Linard	2468
4210	<b>Fire-Fighting Equipment</b> Includes: Pumpers; Rescue Pumpers; Heavy Rescue Vehicles; CFR's; Brush/Widfire Vehicles; Tankers; HUMMWVs	Tammy Jones	3362
	Aerial/Platform Trucks	Allison Holloway-Frazee	2190
4310	<b>Compressors and Vacuum Pumps</b> Includes: Truck and Trailer Mounted Compressors: Diffusion/Rotary/ Reciprocating Vacuum Pumps	Sue Coyer	3638
4320	<b>Power and Hand Pumps</b> Includes: Centrifugal/Axial/Jet/Rotary/ Hydraulic/Reciprocating/Mixed Flow Air Lift Pumps	Donna Behrens	2658
4430	<b>Industrial Furnaces, Kilns, Ovens</b>	Denise Pennington	4161
4440	<b>Driers, Dehydrators and Anhydrators</b> Includes: Evaporators; Dehumidifiers	Denise Pennington	4161
4460	<b>Air Purification Equipment</b> Includes: Electronic Precipitators; Dust Collection Equipment	Denise Pennington	4161
4540	<b>Misc Plumbing, Heating, Sanitation Equip.</b> Includes: Garbage Disposal Equipment;	Diane Weicksel	8296

**Heaters; Incinerators; Pulverizing Machines**

<b>4610</b>	<b>Water Purification Equipment</b> Includes: Water Purification Plants; Chemical Solution Feeders; Filtration Equipment; Ice and Snow Melters  Hypochlorinators	 Tony Wiggins  Barry Goldfarb	 2497  4160
<b>4620</b>	<b>Water Distillation Eqp, Marine and Ind.</b> Includes: Proportioning Units	Tony Wiggins	2497
<b>4630</b>	<b>Sewage Treatment Equipment</b> Includes: Catch Basin/Water Jet/Vacuum/ Rodding Type/High Velocity/Combination Sewer Cleaners, to include Truck/Trailer/ Skid Mounted; Industrial Vacuums	Donna Behrens	2658
<b>4910</b>	<b>Motor Vehicle Maintenance Repair Shop Spec Equipment</b> Includes: Automotive Lifts; Wheel Aligners; Brake Service Equip.; Tire Maintenance and Repair Equip.; Test Equipment Specially Designed for use with Motor Vehicles	Jim Linard	2468
<b>4930</b>	<b>Lubrication and Fuel Dispensing Equipment</b> Includes: Centralized Lubrication Systems; Oil and Gasoline Dispensing Pumps; Grease Dispensers	Donna Behrens	2658
<b>4949</b>	<b>Misc Maintenance and Repair Shop Specialized Equipment</b> Includes: Paint Spraying Machines; Steam Cleaners; Liquid Mixers; Pressure Washers	Tony Wiggins	2497
<b>5410</b>	<b>Prefab and Portable Buildings</b> Includes: Portable Small Unit Showers; Aircraft Hangers; Sheds; Barracks; Shelters; Huts; Igloos; Parachute Lofts; Ammo Magazines; Utility Buildings and Warehouses  Precast Concrete Buildings	 Jim Linard  Denise Pennington	 2468  4161
<b>5430</b>	<b>Storage Tanks</b> Includes: Assembled and Unassembled	Donna Behrens	2658

**Tanks for Storage; Water/Waste/Petroleum  
Bulk storage Tanks**

<b>5445</b>	<b>Prefabricated Tower Structures</b> Includes: Power/Radar/Searchlight/Control Towers	<b>Jim Linard</b>	<b>4161</b>
<b>5450</b>	<b>Misc Prefabricated Structures</b> Includes: Hazardous Storage Buildings; Bleachers; Grandstands; Platforms	<b>Denise Pennington</b>	<b>4161</b>
	Mezzanines	<b>Jim Linard</b>	<b>2468</b>
<b>6115</b>	<b>Generators</b> Includes: 5 to 200 KW Portable Generators	<b>Allison Holloway-Frazee</b>	<b>2190</b>